

COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT
BETWEEN
COMMANDER NAVAL METEOROLOGY AND OCEANOGRAPHY COMMAND
AND
NAUTICOS CORPORATION

AGREEMENT ADMINISTRATORS:

Commander, Naval Meteorology and Oceanography Command:

Technology Transfer Office: Brenda S. Smith, N542/OTT, (228) 688-5339
Legal Counsel: Rob E. Young, 00L, (228) 688-5867
Program Manager: Richard Swanson, NAVOCEANO N92, (228) 689-8095

Nauticos Corporation:

President: David W. Jourdan, (410) 859-8080
Vice President: Thomas K. Dettweiler (410) 394-1863
General Counsel: Julie A. Nelson (410) 859-8080
Preferred Contact: Thomas M. Bethge (410) 394-6626

Agreement Title: Standard Cooperative Research and Development Agreement
Between Commander, Naval Meteorology and Oceanography
Command and Nauticos Corporation

Agreement Number: NCRADA - ~~CNMOC~~-00-008

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Standard
Cooperative Research and Development Agreement
Between
COMMANDER, NAVAL METEOROLOGY AND OCEANOGRAPHY COMMAND
And
NAUTICOS CORPORATION

Article 1. INTRODUCTION

Under authority of the Federal Technology Transfer Act of 1986 (Public Law 99-502, 20 October 1986, as amended), COMMANDER, NAVAL METEOROLOGY AND OCEANOGRAPHY COMMAND (COMNAVMETOCCOM) and NAUTICOS CORPORATION (Nauticos) whose corporate headquarters are located at 1343 Ashton Road, Hanover, MD, do hereby agree and do enter into this COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT, which shall be binding upon both Partners and their assigns according to the clauses and conditions hereof and for the term and duration set herein.

Article 2. SUMMARY

COMNAVMETOCCOM possesses leading-edge technical skills in marine survey techniques and oceanography. Nauticos is a small business working in the area of developing Unmanned Underwater Vehicle (UUV) technology related systems. COMNAVMETOCCOM will receive value from the opportunity to incorporate the above new technologies into its UUV program. The purpose of this CRADA is to facilitate the transfer of technology between COMNAVMETOCCOM and Nauticos.

Article 3. BACKGROUND

The Federal Technology Transfer Act of 1986, as amended, provides for making Federal laboratories' developments accessible to private industry, and to state and local governments, and for the improvement of economic, environmental and social well-being of the United States by stimulating the civil utilization of Federally-funded technology developments.

COMNAVMETOCCOM, through NAVOCEANO, has developed UUV's which can, with or without a support vessel, survey ocean bottoms at various depths. In both the hardware and software arena these technologies have direct applicability for creating new services and products in the private sector. NAVOCEANO, as a result of continuing technical programs, has created leading edge technology in many METOC, and UUV areas, which are critical to developing a competitive world position for many U.S. corporations. In keeping with the Federal Technology Transfer Act, NAVOCEANO desires to make this expertise and technology available for use in the private sector.

Nauticos has the interest, resources and technical expertise to incorporate the Navy's technology into products and services intended for commercial use and sale. Nauticos is developing the Ship Point Facility and commercial UUVs to aid in searches of the ocean for telecommunication route and oil and gas surveys.

Therefore, in consideration of the mutual promises contained in this Agreement and for other good and valuable consideration, the Partners agree to the foregoing objectives and recitals and further agree as follows:

Article 4. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings and are equally applicable to both singular and plural forms of the terms defined:

4.1 "Agreement" means this Cooperative Research and Development Agreement (CRADA).

4.2 "Computer Software" means a combination of associated computer instructions and computer data definitions required to enable computer hardware to perform computational or control functions. Computer programs and computer databases are included.

4.3 "Computer Software Documentation" means data including computer listings and printouts in human-readable form which (a) documents the design or details of computer software, (b) explains the capabilities of the software, or (c) provides operating instructions for using the software.

4.4 "Cooperative Research" means research performed under this Agreement pursuant to the objectives, scope and responsibilities, and statement of work by COMNAVMETOCOM or Nauticos alone or working together.

4.5 "Data" means recorded information of any kind of a scientific or technical nature, regardless of the form or method of the recording.

4.6 "Government" means the Government of the United States of America.

4.7 "Government Purpose License Rights" (GPLR) means the right to use, duplicate, or disclose Data, in whole or in part and in any manner, for Government purposes only, and to have or permit others to do so for Government purposes only. Government purposes include competitive procurement, but do not include the right to have or permit others to use Data for commercial purposes.

4.8 "Invention" means any invention or discovery, which is or may be patentable under Title 35 of the United States Code.

4.9 "Made", when used in relation to any Invention, means the conception or first actual reduction to practice of such Invention.

4.10 "Partner(s)" means the Navy participant(s) and/or the Non-Navy participant(s).

4.11 "Patent Application" means U.S. or foreign patent application, continuation, continuation-in-part, divisional, reissue and/or reexamination on any Subject Invention.

4.12 "Proprietary Information" means information, which embodies trade secrets, developed at private expense or business commercial or financial information that is privileged or confidential provided that such information:

- (a) Is not known or available from other sources without obligations concerning its confidentiality;
- (b) Has not been made available by the owners to others without obligation concerning its confidentiality;

- (c) Is not already available to the Government without obligation concerning its confidentiality; and,
- (d) Has not been developed independently by persons who had no access to the Proprietary Information.

4.13 "Restricted Access Information" means Subject Data generated by COMNAVMETOCCOM that would be Proprietary Information if the information had been obtained from a non-Federal Party participating in a CRADA (15 U.S.C. Section 3710a). Under 15 U.S.C. Section 3710a(c)(7)(B), the Partners may mutually agree to provide appropriate protection of Restricted Access Information against dissemination for a period of up to five (5) years after development of the information.

4.14 "Subject Data" means all Data first produced in the performance of work under this Agreement.

4.15 "Subject Invention" means any Invention Made in the performance of work under this Agreement.

4.16 "Unlimited Rights" means the right to use, duplicate, release or disclose Data or Computer Software in whole or in part, in any manner and for any purpose whatsoever, and to have or permit others to do so.

4.17 "UUV" means Unmanned Underwater Vehicle and represents that collection of equipment that operates underwater without a human directly onboard the vehicle. This classification includes towed search systems (e.g. TOSS), tethered remotely operated vehicles (ROVs) (e.g. Max Rover vehicles), autonomous underwater vehicles (AUVs) (e.g. Seahorse) and other similar types of vehicles.

Article 5. OBJECTIVES

The objective of the CRADA is to cooperate in the development of technical data in the areas of UUV mission planning software, simulation software, vehicle control software, operational procedures and technical manuals; to develop and integrate new hardware and software for deep water navigation and location of objects with multi-beam sonar mapping sensors; to create and revise software that will simulate underwater navigation and location of objects in the deep ocean by UUVs.

Article 6. SCOPE AND RESPONSIBILITIES

6.1 Scope. As agreed herein, the Partners provide personnel, facilities, and equipment and, if agreed, funds from Nauticos to COMNAVMETOCCOM to perform cooperative research and development specified in the summary, objectives, and statement of work. Such efforts shall support the oceanographic and other missions of COMNAVMETOCCOM. Each party shall perform the Statement of Work (SOW), Appendix A, attached hereto by utilizing such personnel, services, facilities, or equipment as it considers necessary for its performance.

6.2 Responsibilities

6.2.1 COMNAVMETOCCOM Personnel, Facilities and Equipment:

The work performed by COMNAVMETOCCOM will be performed under the program guidance of Richard Swanson, NAVOCEANO, Code N92, who as the COMNAVMETOCCOM Program Manager (COMNAVMETOCCOM PM) has the responsibility for the scientific and technical conduct of this project within the facilities of COMNAVMETOCCOM or performed on behalf of COMNAVMETOCCOM by third parties in support of this Agreement. The Nauticos PM in accordance with Article 13.2.2 will supervise Nauticos representatives who may perform experiments at COMNAVMETOCCOM.

6.2.2 Nauticos Personnel, Facilities and Equipment:

The work performed by Nauticos will be performed under the program guidance of Thomas Bethge, who as the Nauticos Program Manager (PM) has the responsibility for the scientific and technical conduct of this project within the facilities of Nauticos or performed on behalf of Nauticos by third parties in support of this Agreement. The COMNAVMETOCCOM PM in accordance with Article 13.2.2 will supervise COMNAVMETOCCOM representatives who may perform experiments at Nauticos.

Article 7. REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of COMNAVMETOCCOM

COMNAVMETOCCOM hereby represents and warrants to Nauticos as follows:

7.1.1 COMNAVMETOCCOM is a Federal "laboratory" of the U.S. Navy, wholly owned by the U.S. Government, and whose substantial purpose is the performance of research, development, or engineering by employees of said Government (15 U.S.C. Section 3710a(d)(2)(A)).

7.1.2 The performance of the activities specified by this Agreement is consistent with the mission of COMNAVMETOCCOM.

7.1.3 The Official executing this Agreement has the requisite authority to do so.

7.1.4 COMNAVMETOCCOM makes no express or implied warranty as to the conditions of research or any Invention or product, whether tangible or intangible, made or developed under this Agreement, or the merchantability, or fitness for a particular purpose of the research or any Invention or product.

7.2 Representations and Warranties of Nauticos

Nauticos hereby warrants and represents to COMNAVMETOCCOM:

7.2.1 Nauticos, as of the date hereof, is a for-profit corporation organized, validly existing and in good standing under the laws of the State of Maryland.

7.2.2 Nauticos has the requisite power and authority to enter into this Agreement and to perform according to the terms thereof.

7.2.3 The Board of Directors of Nauticos has taken all actions required by law; its Charter authorizes the execution and delivery of agreements such as this Agreement.

7.2.4 The execution and delivery of this Agreement does not contravene any material provision of, or constitute a material default under any material agreement binding on Nauticos or any valid order of any

court, or any regulatory agency or other body having authority to which Nauticos is subject.

7.2.5 Nauticos is not presently subject to debarment or suspension by an agency of the Government. Should Nauticos be debarred or suspended, they will so notify COMNAVMETOCCOM, who may elect to terminate the Agreement.

7.2.6 Nauticos is not directly or indirectly controlled by a foreign company or government (Executive Order 12591, Section 4. (a)).

7.2.7 Nauticos is a small business as defined in 15 U.S.C. Section 632 and implementing regulations (13 C.F.R. Section 121.101 et seq.) of the Administrator of the Small Business Administration. In simplest terms, this means fewer than 500 employees (see 13 C.F.R. Section 121.288).

7.2.8 Nauticos makes no express or implied warranty as to the conditions of research or any Invention or product, whether tangible or intangible, Made or developed under this Agreement, or the merchantability, or fitness for a particular purpose of the research or any Invention or product.

Article 8. FUNDING

Each Partner will fund its own efforts.

Article 9. REPORTING AND PUBLICATIONS

9.1 Nauticos Reports

Nauticos shall submit an annual written report to COMNAVMETOCCOM during the term of this Agreement on the progress of its work and the results being obtained. Nauticos shall make available to COMNAVMETOCCOM, to the extent reasonably requested, Subject Data produced by Nauticos in sufficient detail to explain the progress of work under this Agreement. Nauticos shall submit technical reports in accordance with the Research and Development (R&D) Plan included in the Statement of Work (Appendix A). Nauticos shall submit a final report of its results, including a listing of all Subject Inventions, to COMNAVMETOCCOM within four months after completing its performance under this Agreement.

9.2 COMNAVMETOCCOM Reports

COMNAVMETOCCOM shall submit an annual written report to Nauticos during the term of this Agreement on the progress of its work and the results being obtained. COMNAVMETOCCOM shall make available to Nauticos, to the extent reasonably requested, Subject Data produced by COMNAVMETOCCOM in sufficient detail to explain the progress of the work under this Agreement. COMNAVMETOCCOM shall submit a final report of its results, including a listing of all Subject Inventions, to Nauticos within four months after completing its performance under this Agreement.

9.3 Agreement to Confer Prior to Publication

COMNAVMETOCCOM and Nauticos agree to confer and consult prior to the publication of Subject Data to assure that no Proprietary Information is released and that patent rights are not jeopardized. Prior to submitting a manuscript for review which contains the results of research under this Agreement, or prior to publication if no such review is made, each Partner

shall be offered an ample opportunity to review such proposed publication and to file patent applications in a timely manner, if it is so entitled under this Agreement.

9.4 Classified or Militarily Critical Technologies (MCT) Information

All publications and presentations by Nauticos of Subject Data must be unclassified and must be cleared by COMNAVMETOCCOM for public release prior to presentation or publication to ensure that no classified, MCT (in accordance with the guidelines in the MCT List), or otherwise restricted data are included.

Article 10. INTELLECTUAL PROPERTY

10.1 Data Rights

10.1.1 Ownership, Rights, Use and Protection of Subject Data:

Each Partner shall have title to Subject Data generated by that Partner. Each Partner, upon request to the other Partner, shall have the right to review and to request delivery of all Subject Data and delivery shall be made to the requesting Partner within two weeks of the request.

Nauticos shall have Unlimited Rights in all Subject Data generated by COMNAVMETOCCOM. Each Partner will hold in confidence and treat as company Proprietary Information all Restricted Access Information for a period up to five years, as mutually agreed between the Partners. In accordance with 15 U.S.C. Section 3710a(c)(7)(B), Restricted Access Information will be protected by COMNAVMETOCCOM from release under the Freedom of Information Act, 5 U.S.C. Section 552 as long as the information meets the definition of Restricted Access Information.

The Government shall have Unlimited Rights in all Subject Data generated by Nauticos, which is not Proprietary Information. Subject Data which is not Proprietary Information of Nauticos may be released by COMNAVMETOCCOM where such release is required pursuant to a request under the Freedom of Information Act (5 U.S.C. Section 552).

The Government shall have Government Purpose License Rights in any Subject Data furnished by Nauticos to COMNAVMETOCCOM under this Agreement which is Proprietary Information. Nauticos shall place a proprietary notice, in accordance with Article 10.1.3, on all information it delivers to COMNAVMETOCCOM under this Agreement, which it asserts, is proprietary. Subject Data which is Proprietary Information of Nauticos shall be protected by COMNAVMETOCCOM from release under the Freedom of Information Act (5 U.S.C. Section 552) for as long as the data meets the definition of Proprietary Information. COMNAVMETOCCOM shall notify Nauticos promptly of any such request for release of Nauticos Proprietary Subject Data.

10.1.2 Ownership, Rights, Use and Protection of Non-Subject Data:

Each Partner shall have title to non-Subject Data generated by that Partner.

Nauticos shall have Unlimited Rights in all non-Subject Data provided under this Agreement by COMNAVMETOCCOM.

The Government shall have Unlimited Rights in all Nauticos non-Subject Data which is provided under this Agreement and which is not Proprietary Information of Nauticos. Non-Subject Data which is not Proprietary Information of Nauticos may be released by COMNAVMETOCCOM where such release is required pursuant to a request under the Freedom of Information Act (5 U.S.C. Section 552).

COMNAVMETOCCOM shall use, reproduce and disclose any Proprietary Information that is non-Subject Data furnished by Nauticos to COMNAVMETOCCOM under this Agreement only for the purpose of carrying out this Agreement, unless consent to other use or release is obtained from Nauticos. Nauticos shall place a proprietary notice, in accordance with Article 10.1.3, on all information it delivers to COMNAVMETOCCOM under this Agreement, which it asserts, is proprietary. Non-Subject Data, which is Proprietary Information of Nauticos, shall be protected by COMNAVMETOCCOM from release under the Freedom of Information Act (FOIA) for as long as the data meets the definition of Proprietary Information. COMNAVMETOCCOM shall notify Nauticos promptly of any such request for release of Nauticos Proprietary non-Subject Data.

10.1.3 Determination and Marking of Proprietary and Restricted Access Information:

Nauticos shall place a proper Proprietary notice on each page of all Subject and non-Subject Data it delivers to COMNAVMETOCCOM under this Agreement which Nauticos asserts is Proprietary Information.

Restricted Access Information will be marked in a manner similar to the following:

"RESTRICTED ACCESS INFORMATION-TREAT AS PROPRIETARY TO NAUTICOS CORPORATION."

COMNAVMETOCCOM will review all such designated Proprietary and Restricted Access Information and, in consultation with Nauticos, will determine whether it qualifies as "Proprietary or Restricted Access Information" in accordance with the criteria of Articles 4.12 and 4.13.

10.2 Copyrights

10.2.1 Copyright by Nauticos:

Nauticos may copyright works of authorship prepared pursuant to this CRADA that may be copyrighted under Title 17, U.S. Code.

10.2.2 Copyright License to the Government:

Nauticos grants a nonexclusive, nontransferable, irrevocable, royalty-free copyright license throughout the world in the exclusive rights in copyrighted works of authorship (17 U.S.C. Section 106) prepared pursuant to this Agreement to the Government for Government purposes, including the right to permit others to use this license for Government purposes.

10.2.3 Copyright Statement:

Nauticos shall include the following statement on any mask work or work of authorship created in the performance of this Agreement:

"The U.S. Government has a copyright license in this work pursuant to a CRADA with COMMANDER, NAVAL METEOROLOGY AND OCEANOGRAPHY COMMAND."

10.3 Patent Rights

10.3.1 Reporting of Subject Inventions:

Employees of either Partner will report a Subject Invention to their employer within 90 days. Each Partner will notify the other Partner of a Subject Invention within 90 days of the report by its employee(s). After reporting the Invention to the other Partner, the Partner entitled to own the Subject Invention shall have 90 days in which to decide whether to file an application for Patent, and to notify the other Partner of the decision. If the entitled Partner declines, or upon the expiration of the 90 days without notification, the other Partner shall have an opportunity to file and take title to the Invention, subject to the retention of a nonexclusive, irrevocable, paid-up license to practice the Subject Invention or have the invention practiced throughout the world by or on behalf of the Partner whose employee(s) Made the Subject Invention.

10.3.2. Subject Inventions Made Solely by One Partner

Each Partner shall be entitled to own the Subject Inventions of its employees. Each Partner hereby grants to the other Partner a nonexclusive, irrevocable, paid-up license to practice a Subject Invention made by employees of the granting Partner or have that Subject Invention practiced throughout the world by or on behalf of that other Partner. No nonexclusive license granted under this Agreement shall be assigned, licensed or otherwise disposed of except to the successor of that part of Nauticos' business to which such license pertains.

10.3.3 Subject Inventions Made Jointly

Each Partner whose employee(s) contributed to the making of a jointly made Subject Invention shall have title, in the form of an undivided interest, in the Subject Invention. The Partners shall confer on all jointly made Subject Inventions to determine which Partner will file an application for Patent.

10.3.4 Exclusive License Option

COMNAVMETOCCOM gives Nauticos the option, to be exercised within 180 days after the filing of an Application for Patent, of acquiring an exclusive license in the Government's rights in any Subject Invention. An exclusive license will be in the field of use of 7373-Computer integration & systems design; 5045-Computers & Software; 3823-Display & Control instruments; 3812-Navigation & guidance equipment, and 5162-Plastics and resins and subject to a reasonable royalty. All exclusive licenses granted in Subject Inventions are subject to the reservation of a nonexclusive, irrevocable, paid-up license to practice a Subject Invention made by employees of the Government or to have that Subject Invention practiced throughout the world by or on behalf of the Government.

10.3.5 Both Partners Decline to File Patent Application

In the event either Partner declines to file a Patent Application, the Government will renounce its entitlement and leave all rights to the inventor(s) who may retain ownership of the Invention, subject to the granting to the Partners of a nonexclusive, irrevocable, paid-up license to practice the Invention or have the Invention practiced throughout the world by

or on behalf of each Partner. Nauticos may, at their sole discretion, renounce, its entitlement and leave all rights to the inventor(s) who may retain ownership of the Invention, subject to the granting to the Partners of a nonexclusive, irrevocable, paid-up license to practice the Invention or have the Invention practiced throughout the world by or on behalf of each Partner.

10.3.6 Copies and Inspection

Each Partner shall provide the other Partners with copies of any Patent Applications it files on any Subject Invention along with the right to inspect and make copies of all documents in the patent application or other intellectual property application files.

10.3.7 Confirmatory Nonexclusive License Agreement

For each nonexclusive license granted under this Agreement, each Partner shall provide to the other Partner the Confirmatory License Agreement in Appendix B.

Article 11. PROPERTY

11.1 Title to Pre-Existing Facilities and Equipment

Each Partner shall retain title to all its pre-existing property, facilities, equipment or other resources provided under the Agreement.

11.2 Items Purchased by Partners

Each Partner shall retain title to all property, facilities, equipment or other resources, which they purchased. Property purchased by the Government with Nauticos' funds shall be Government Property.

11.3 Title to Developed Property

All equipment developed under this Agreement shall be the property of the developing Partner. Jointly developed equipment having components provided by Nauticos and the Government shall be the property of the Government. Jointly developed equipment having all components provided by a single Partner shall be the property of that Partner.

11.4 Property Costs

During the period of and upon completion of this Agreement, each Partner shall be responsible for all costs of maintenance, removal, storage, repair, and shipping of all equipment to which it retains title, unless otherwise separately agreed.

11.5 Disposal of Property

Disposal of property will be in accordance with applicable disposal laws and regulations.

Article 12. LIABILITIES

12.1 Government Liability

The Government's responsibility for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment will be in conformance with the Federal Tort Claims Act (28 U.S.C. Section 2671 et seq.). Except as provided by the Federal Tort Claims Act, the Government shall not be liable to Nauticos for any claims whatsoever, including loss of revenue, profits, or other indirect or consequential damages.

12.2 Indemnification by Nauticos

Nauticos holds the Government harmless and agrees to indemnify the Government for all liabilities, claims, demands, damages, expenses, and losses of any kind arising out of the performance by Nauticos or other entity acting on behalf of or under the authorization of Nauticos under this Agreement. The word "other" does not include the COMNAVMETOCCOM or "employee of the Government while acting within the scope of his office or employment" as used in Article 12.1.

12.3 Force Majeure

No Partner shall be liable for the consequences of any unforeseeable force majeure event that (1) is beyond their reasonable control, (2) is not caused by the fault or negligence of such Partner, (3) causes such Partner to be unable to perform its obligations under this Agreement and (4) cannot be overcome by the exercise of due diligence. In the event of the occurrence of a force majeure event, the Partner unable to perform shall promptly notify the other Partner. It shall further pursue its best efforts to resume performance as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.

Article 13. GENERAL PROVISIONS

13.1 Characteristics of the Agreement

13.1.1 Entire Agreement

This Agreement constitutes the entire agreement between the Partners concerning the subject matter hereof and supersedes any prior understanding or written or oral agreement relative to said matter.

13.1.2 Severability

The illegality or invalidity of any provisions of this Agreement shall not impair, affect or invalidate the other provisions of this Agreement.

13.1.3 Headings

Titles and headings of the sections and subsections of this Agreement are for convenience of reference only and do not form a part of this Agreement and shall in no way affect the interpretation thereof.

13.2 Agreements between Partners

13.2.1 Governing Laws

The Partners agree that United States Federal Law shall govern this Agreement for all purposes.

13.2.2 Independent Contractors/Entities

The relationship of the Partners to this Agreement is that of independent contractors and not as agents of each other or as joint venturers. Each Partner shall maintain sole and exclusive control over its personnel and operations.

13.2.3 Amendments

If either Partner desires a modification in this Agreement, the Partners shall, upon reasonable notice of the proposed modification by the Partner desiring change, confer in good faith to determine the desirability of such modification. Such modification shall not be effective until the Agreement signatories or their successors sign a written amendment.

13.2.4 Assignment/Subcontracting

13.2.4.1 If either Partner subcontracts or grants to a third Party any portion of the work to be accomplished under this Agreement, then the contracting Partner shall remain fully responsible for that portion of the work, and the subcontractor is not a Partner to the Agreement.

13.2.4.2 This Agreement shall not be assigned or otherwise transferred by any Partner without the prior written consent of the other Partner, except to the successor of that part of Nauticos' business to which this Agreement pertains.

13.2.4.3 In the event that Nauticos or its successors or assignees shall become, during the term of this Agreement, directly or indirectly controlled by a foreign company or government (Executive Order 12591, Section 4.(a)), then Nauticos shall immediately notify COMNAVMETOCCOM to that effect. If Nauticos becomes foreign-controlled during the term of this Agreement, COMNAVMETOCCOM, after consultation with the U. S. Trade Representative in accordance with Executive Order 12591, may cancel any option for an exclusive or partially exclusive license to a Subject Invention and may terminate any exclusive or partially exclusive licenses of patents in Subject Inventions entered into which the Government has title, and which have been licensed under this Agreement.

13.2.5 Termination

13.2.5.1 Termination by Mutual Consent

Nauticos and COMNAVMETOCCOM may elect to terminate this Agreement at any time by mutual consent. In such event the Partners shall specify the disposition of all Subject Inventions and other results of work accomplished or in progress, arising from or performed under this Agreement, and they shall specify the disposal of all property in a manner consistent with this Agreement, any license hereunder and the property disposal laws and regulations.

13.2.5.2 Unilateral Termination

Either Partner may unilaterally terminate this entire Agreement at any time by giving the other Partner written notice,

not less than thirty (30) days prior to the desired termination date. If Nauticos unilaterally terminates this Agreement, any option for an exclusive or partially exclusive license to a Subject Invention and any exclusive or partially exclusive license to a Subject Invention entered into by the Partners shall be simultaneously terminated unless the Partners agree to retain such option or exclusive license.

13.2.5.3 No New Commitments

COMNAVMETOCCOM shall make no new commitments after receipt of a written termination notice from Nauticos and shall, to the extent practicable, cancel all outstanding commitments by the termination date.

13.2.6 Notices

All notices pertaining to or required by this Agreement shall be in writing and shall be signed by an authorized representative and shall be delivered by hand or sent by certified mail, return receipt requested, with postage prepaid, addressed as follows:

If to Nauticos: ...

Mr. Thomas K. Dettweiler
Vice President
Nauticos Corporation
1343 Ashton Road
Hanover, MD 21076

If to COMNAVMETOCCOM:

Ms. Brenda S. Smith
COMNAVMETOCCOM (Code OTT)
Bldg 1100
Stennis Space Center, MS 39529-5000

If to NAVOCEANO:

Mr. Richard Swanson
Naval Oceanographic Office (Code N92)
Bldg 9322, MSAPP
Stennis Space Center, MS 39522-5005

Either Partner may change such address by notice given to the other Partner in the manner set forth above.

13.2.7 Disputes

13.2.7.1 Settlement

COMNAVMETOCCOM and Nauticos agree to use all reasonable efforts to reach a fair settlement of any dispute. If such efforts are unsuccessful, remaining issues in dispute will be referred to the signatories or their successors for resolution. If a dispute continues, the remaining issues may be submitted to the Chief of Naval Research, or his designee, for resolution. Nothing in this Agreement is intended to prevent Nauticos from pursuing disputes in a Federal Court of competent jurisdiction.

13.2.7.2 Continuation of Work

Pending the resolution of any dispute or claim pursuant to this Article, the Partners agree that performance of all obligations under this Agreement shall be diligently pursued.

13.2.8 Waivers

None of the provisions of this Agreement shall be considered waived by any Partner unless such waiver is given in writing to the other Partner. The failure of any Partner to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any rights provided herein or by law shall not be deemed a waiver of any right of any Partner hereto.

13.2.9 Use of Name or Endorsements

Except as provided for in Article 10.2.3, Nauticos shall not use the name of COMNAVMETOCCOM or any other Government entity on any product or service which is directly or indirectly related to either this Agreement or any patent license or assignment associated with this Agreement without the prior approval of COMNAVMETOCCOM. By entering into this Agreement, COMNAVMETOCCOM does not directly or indirectly endorse any product or service provided, or to be provided, by Nauticos, its successors, assignees, or licensees. Nauticos shall not in any way imply that this Agreement is an endorsement of any such product or service.

13.3 Handling of Hazardous Substances

Each Partner shall be responsible for the handling, control, and disposition of any and all hazardous substances or waste in its custody during the course of this Agreement. At the conclusion of this Agreement, each Partner shall be responsible for the handling, control, and disposition of any and all hazardous substances or waste still in its possession. Each Partner shall obtain at its own expense all necessary permits and licenses as required by local, State, and federal law and shall conduct such handling, control, and disposition in a lawful and environmentally responsible manner.

13.4 Officials Not to Benefit

No member of or delegate to the United States Congress shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom.

13.5 U.S. Competitiveness

Nauticos agrees that any products, processes or services using intellectual property arising from the performance of this Agreement shall be manufactured substantially in the United States.

13.6 Public Release of this Agreement Document

This Agreement document is releasable to the public.

Article 14. EFFECTIVE DATE AND DURATION

14.1. This Agreement shall enter into force on the date of the last signature of the Partners.

14.2. This Agreement shall terminate 5 years after its effective date.

Article 15. SURVIVING PROVISIONS

The articles covering Definitions, Funding, Reporting and Publications, Intellectual Property, Property, Liabilities, General Provisions, and Surviving Provisions shall survive the termination of this Agreement.

Article 16. SIGNATURES

Entered into this 2 day of November 2000, for Nauticos Corporation.

By: 

Title: General Counsel

Entered into this 2 day of November, 2000 for the Department of the Navy

By: 

Title: Commander, Naval Meteorology and Oceanography Command

APPENDIX A

STATEMENT OF WORK

BETWEEN

COMMANDER, NAVAL METEOROLOGY AND OCEANOGRAPHY COMMAND

AND

NAUTICOS CORPORATION

COMNAVMETOCCOM will be responsible for the following tasks:

1. Provide personnel, facilities, equipment, and support for promoting transfer of existing and future NAVOCEANO UUV applicable technology to foster development of improved capabilities in this area.
2. Provide access for Nauticos to NAVOCEANO's UUV technology through data, demonstrations, consultation, and documentation.
3. Provide Nauticos access during and after oceanographic surveys for video/film documentation of applicable UUV technologies.
4. Review and assist Nauticos in preparing the Research and Development Plan in support of improving NAVOCEANO's existing UUVs.
5. Develop Top Level Requirements (TLR) for an UUV that can adequately perform hydrographic, oceanographic, and/or bathymetric surveys.

Nauticos will be responsible for the following tasks:

1. Provide personnel for collecting and documenting (audio and visual) mission survey data of existing and future UUV related technology.
2. Develop Top Level Requirements (TLR) for an UUV that is suitable for commercial use in industries such as: telecommunications, oil & gas, and ship/aircraft wreck surveys, etc.
3. Provide personnel who will conduct training and execute other technical support to NAVOCEANO for integration of applicable Nauticos navigation technology (to include software and hardware) in UUVs for military surveys.
4. Provide a Research and Development Plan in support of improving NAVOCEANO's existing UUV operations. This plan will guide efforts within this agreement for specific technology development. This plan will be reviewed, and if necessary revised, annually by both partners for accuracy, pertinence, and reasonable expectation of achieving its objectives. The first year's (Y2001) R&D Plan is Attachment 1 to this Appendix.
5. Request prior approval for all commercial uses of NAVOCEANO equipment that is in the possession of Nauticos. At a minimum, use must be in support of and consistent with specific tasks delineated

in the R&D Plan and in full compliance with any government regulations and/or restrictions including, but not limited to, foreign national restrictions and MCT list export restrictions that may pertain to the specified equipment.


6. Ensure that any non-signatory party to this agreement that Nauticos may team with or allow to use NAVOCEANO equipment is in full compliance of all government regulations and/or restrictions that may pertain to the specified equipment including, but not limited to, foreign national restrictions and MCT list export restrictions, and shall include adequate insurance and indemnification provisions. Such use shall be in direct support of specific tasks delineated in the R&D Plan.

COMNAVMETOCCOM and Nauticos will be responsible for the following joint tasks:

1. Strive to construct an UUV based on the TLR for military survey.
2. Strive to construct an UUV based on the TLR for commercial ocean search and survey.


Nauticos Corporation

2 NOV 00 General Counsel
Date Title


Department of the Navy

2 Nov 2000 RAFM, USN COMNAV METOCCOM
Date Title

APPENDIX B

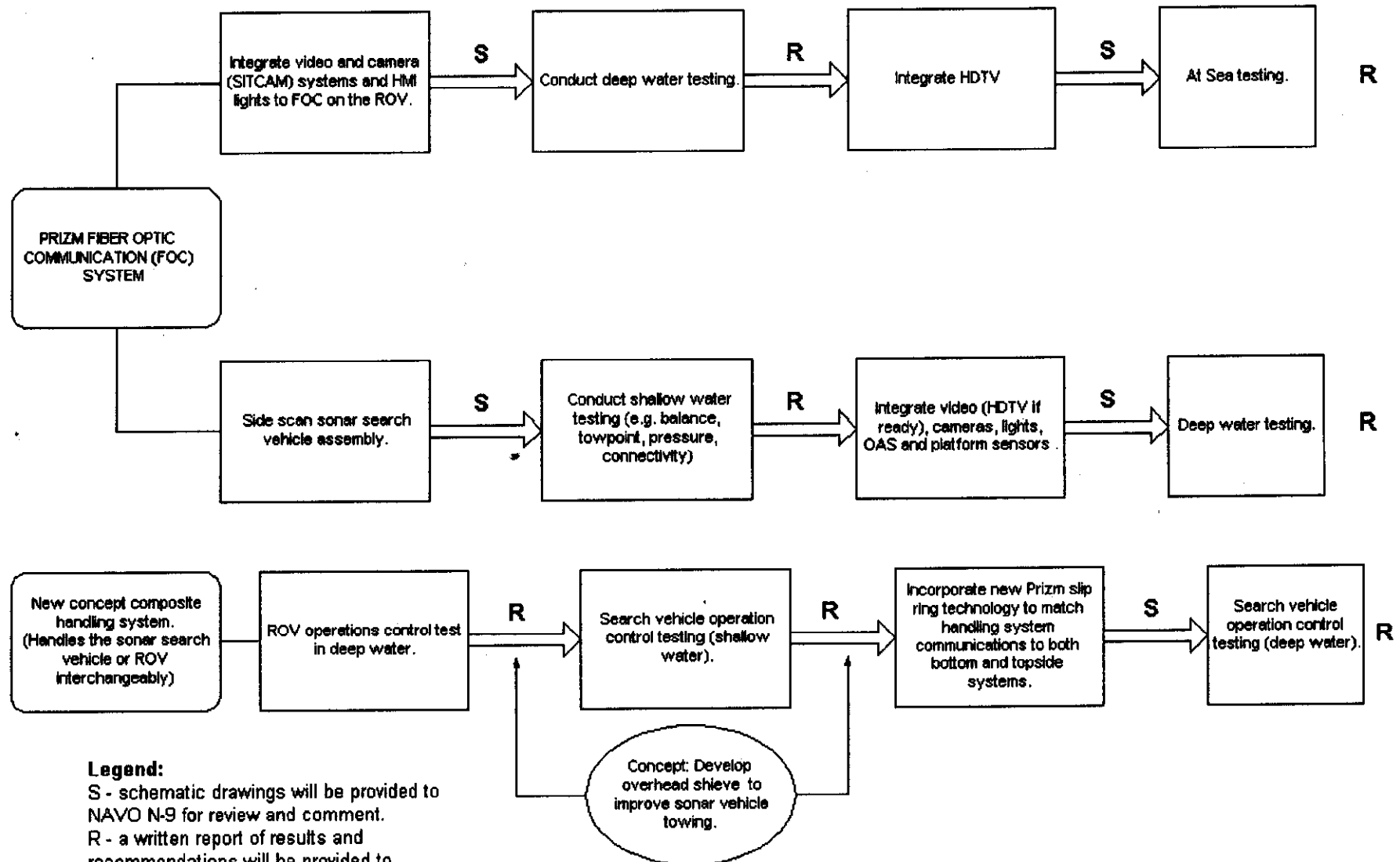
<p align="center">CONFIRMATORY LICENSE AGREEMENT</p>	<p>1. APPLICATION FOR (Title of invention)</p>
<p>2. INVENTOR(S) AND AFFILIATION</p>	
<p>3. PATENT APPLICATION SERIAL NO.</p>	<p>4. PATENT APPLICATION FILING DATE</p>
<p>5. NAVY ACTIVITY (Name, address, point of contact)</p>	<p>6. NON-NAVY ACTIVITY (Name, address, point of contact)</p>
<p>7. CRADA AGREEMENT NO.</p>	<p>8. DATE OF THIS AGREEMENT</p>
<p>9. The invention identified above is a "Subject Invention" under Article 10.3 Patent Rights included with the CRADA identified in Box 7 between the Department of the Navy and Non-Navy Activity identified in Box 6.</p> <p>This document is confirmatory of the nonexclusive, irrevocable, paid-up license to practice the identified Subject Invention or have that Subject Invention practiced throughout the world by or on behalf of the receiving party, and of all other rights acquired by the receiving party by the referenced clause.</p> <p>This license is granted to _____ the government</p> <p>(Select one) _____ Non-Navy Activity identified in Box 6</p> <p>under this CRADA in the identified invention, patent application and any resulting patent.</p> <p>The licensee is hereby granted an irrevocable power to inspect and make copies of the above-identified patent application.</p> <p>ACTIVITY NAME OF LICENSOR</p> <p>SIGNATURE</p> <p>NAME (Typed or Printed)</p> <p>TITLE</p> <p>BUSINESS TELEPHONE</p>	

Attachment 1 to Appendix A

Y2001 Research and Development Plan

CRADA-CNMO-00-

GOAL: Develop and test a new state of the art fiber optic communication system for unmanned undersea vehicles. The initial vehicles tested are a side scan sonar search and survey system and a separate remotely operated vehicle. This technology will be transferred, per above noted NCRADA, to NAVO N-9.



NAUTICOS CORPORATION PROPRIETARY INFORMATION